Message Text

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INFO OCT-01 ARA-10 ISO-00 USPS-01 L-03 TRSE-00 OMB-01 CIAE-00 INR-07 NSAE-00 PRS-01 /032 W

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R 312025Z MAR 77 FM AMEMBASSY SAN JOSE TO SECSTATE WASHDC 6890

UNCLAS SAN JOSE 1360

E.O. 11652: N/A TAGS: ETEL, CS

SUBJECT: COSTA RICAN POSTAL DEBT

REF: STATE 23950

1. EMBOFFS MET MARCH 31 WITH DANILO RODRIGUEZ, DIRECTOR GENERAL OF COMMUNICATIONS, AND ALVARO PIEDRA, CHIEF OF THE OFFICE OF INTERNATIONAL AFFAIRS OF THE COSTA RICAN POSTAL SERVICE.

2.IOSTA RIRKN POSTALNLEPS REVPNWED IN SUMMARS FORM STATUS OF POSTAL ACCOUNTS WITH U.S. AND INFORMED EMBASSY THAT THEY WILL SEND TO THE U.S. POSTAL SERVICE A CHECK FOR \$129,628.81 (COLONES 1,114,807.76). THIS AMOUNT REPRESENTS PAYMEMPS DUE FOR 1970, 1971, 1972, AND THE FIRST QUARTER OIOF 1975. THE PAYMENTS DUE FOR 1973 AND 1974 '(\$143,454.22) HAVE BEEN OFFSET AGAINST THE FINAL ACCOUNTS OWED TO COSTA RICA FOR THE PERIOD 1975, WHICH AMOUNT TO \$133,039.76.

3. A COLOMBIAN TECHNICAL ADVISOR IS ARRIVING IN THE COUNTRY APRIL 11 TO ASSIST THE COSTA RICAN POST OFFICE TO RECONCILE ITS ACCOUNTS, INCLUDING ITS ACCOUNTS WITH THE U.S. AFTER THIS RECONCILIATION, THE POSTAL SERVICE EXPECTS TO BE IN A POSITION TO PAY BEFORE THE END OF THE YEAR THE BALANCE FOR 1973, 1974, PLUS THE THREE UNCLASSIFIED

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LAST QUARTERS OF 1975 WHICH TOTAL \$55,323.81. THE ACCOUNTS FOR 1976 WILL BE STUDIED AND CONSIDERED AFTER PAYING THE ACCOUNTS UP TO DATE THROUGH 1975.

4. MR. RODRIGUEZ RAISED WITH THE EMBASSY A SEPARATE PROBLEM HAVING TO DO WITH POSTAL MONEY ORDERS ISSUED IN THE U.S. BY THE U.S. POSTAL SERVICE AND PAID IN

COSTA RICA BY COSTA RICAN BANKS, FOR WHICH THE BANKS HAVE THUS FAR BEEN UNABLE TO GET PAYMENT FROM THE U.S. POSTAL SERVICE. THE BANKS ARE CLAIMING PAYMENT FROM THE COSTA RICAN POSTAL SERVICE AND ARE BRINGING CONSIDERABLE PRESSURE TO BEAR AS THE MONEY ORDERS DATE BACK TO 1974. THE COSTA RICAN POSTAL SERVICE MAINTAINS THAT IT WAS ONLY THE CARRIER AND THAT PAYMENT OF THE MONEY ORDERS IS THE RESPONSIBILITY OF THE U.S. POSTAL SERVICE.

5. THE MONEY ORDER PROBLEM RELATES TO A PERIOD WHEN THE U.S. POSTAL SERVICE HAD STOPPED PAYMENT ON MONEY ORDERS SENT TO COSTA RICA BECAUSE IT WAS OFFSETTING THE AMOUNT OWED BY THE U.S. POSTAL SERVICE ON THE MONEY ORDER ACCOUNT AGAINST THE COSTA RICAN POSTAL DEBT. THE COSTA RICAN POSTAL AUTHORITIES WROTE TO THE U.S. POSTAL SERVICE ABOUT THIS PROBLEM AND EXPRESSED THE VIEW THAT THE MONEY ORDER ACCOUNT AND THE POSTAL ACCOUNT MUST BE TREATED SEPARATELY AND CANNOT BE OFFSET AGAINST EACH OTHER UNDER THE TERMS OF THE INTERNATIONAL POSTAL UNION. THIS POSITION WAS ACCEPTED BY THE U.S. POSTAL SERVICE IN A LETTER OF JULY 7, 1975 FROM ASSISTANT POSTMASTER GENERAL RICHARD GOULD TO THE LEGAL ADVISOR OF THE COSTA RICAN POSTAL SERVICE, FRANCISCO HERNANDEZ BRENES. THE COSTA RICAN POSTAL SERVICE NOW REQUESTS THAT THESE MONEY ORDERS WHICH TOTAL \$4,073.39 BE PAID BY THE U.S. POSTAL SERVICE TO THE COSTA RICAN BANKS HOLDING THEM, WHICH ARE THE BANCO NACIONAL AND THE BANCO CENTRAL. UNCLASSIFIED

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6. COMMENT: IT WOULD APPEAR THAT THE MONEY ORDERS REPRESENT A LEGITIMATE DEBT OF THE U.S. POSTAL SERVICE. IF SO, THE EMBASSY WOULD RECOMMEND THAT THE POSTAL SERVICE PAY THE MONEY ORDERS WHEN THEY ARE PRESENTED AGAIN BY THE BANCO NACIONAL AND THE BANCO CENTRAL. THIS WOULD GREATLY RELIEVE THE COSTA RICAN POSTAL SERVICE WHICH IS UNDER VERY CONSIDERABLE PRESSURE FROM THE STATE-OWNED BANKS TO REDEEM THE U.S. MONEY ORDERS. AT A TIME WHEN THE COSTA RICAN POSTAL SERVICE APPEARS TO BE MAKING A MAXIMUM GOOD FAITH EFFORT TO BRING ITS POSTAL ACCOUNTS UP TO DATE WITH THE U.S., IT WOULD APPEAR THAT THE U.S. SHOULD SETTLE THE LONGSTANDING AND MINIMAL DEBT REPRESENTED BY THE U.S. MONEY ORDERS. KILDAY

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	Margaret P. Grafeld	Declassified/Released	US Department of State	EO Systematic Review	22 May 2009
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